

**Testimony of
Mr. Ronnie Burleson, Richfield, NC
U.S House Agriculture Farm Bill Field Hearing, Fayetteville, NC
Monday, February 6, 2006**

Chairman Goodlatte, Ranking Member Peterson, and members of the Committee. Good afternoon.

My name is Ronnie Burleson. I am a corn and cotton producer from Richfield, North Carolina. I also operate a cotton gin, and I am a proud constituent of your colleague Congressman Hayes. As President of the North Carolina Corn Growers Association and a member of the North Carolina Farm Bureau Board of Directors, it is an honor to testify before you today.

For the most part, farmers appear to be pleased with the current Farm Bill. As Congress begins to focus on writing the next version of this important law, I urge you to craft a bill that will continue to give us the market based tools we need to succeed. Today, I will briefly touch on four issues: 1) the Farm Bill budget; 2) the WTO agriculture talks; 3) payment limitations; and 4) crop insurance.

Our Farm Bill Investment

When Congress wrote the 2002 Farm Bill, our nation was in surplus. As of February 2006, our federal budget is in deficit. This fact will certainly impact the final product you write. It is likely that the pot of money available for farm programs under the next Farm Bill could be reduced.

As you all know, the Farm Bill is designed to provide farmers with stable markets, which are critical to keeping family farming operations in business. It is a public investment in food and economic security. Indeed, the Farm Bill provides U.S. consumers with the world's most affordable and high quality food supply. Because of the Farm Bill, the average American spends only about 10% of their disposable income on food. Payments received by farmers under the law also end up in the cash registers of local businesses. Further, the Farm Bill helps to preserve our environment, build-up rural communities, and make sure that low-income families do not go hungry.

As you wrestle with the funding authorization levels for the next set of farm programs, I urge you to remember the purpose of the Farm Bill and the need to fund these important initiatives accordingly.

WTO Negotiations

Like other cotton producers, I monitored last year's WTO cotton dispute with concern. Considering the adversarial nature of that dispute, it is easy to see how some farmers may be wary of trade agreements. But reality tells us that trade is the future of North Carolina agriculture.

North Carolina's agriculture sector exported approximately \$1.6 billion in 2004. As the Doha round of WTO talks continue this year, the U.S. must maintain its aggressive stance in opening foreign markets for our products. Unfortunately, the E.U. and the Japanese have been reluctant to negotiate fully with us. I hope their position will change.

In the meantime, I urge the Committee to resist the inevitable calls from some groups to reduce commodity payments. We must not unilaterally disarm. If the WTO fails to reach an agreement this year on regarding agriculture issues, it would be wise for Congress to re-authorize the current Farm Bill.

Payment Limits

During the course of your hearings and debates on the next Farm Bill, the issue of limiting Farm Bill payments will be raised. You will hear a lot of rhetoric about farmers getting rich because of government payments. But the average level of financial returns that farmers receive on assets and equity do not make investors eager to put their resources into agriculture. The risk of producing a crop or raising a herd is formidable. Besides, if farmers were getting rich because of the Farm Bill, it would seem that more people would take a shot at farming. (Pause) And we all know people are lining up to farm.

You'll also hear criticism that large farms receive a disproportionate share of government assistance. While this is true, there is a good reason why large farms receive more. To remain competitive, farms must get larger. As farms grow in size, common sense dictates that as long as farm payments are based upon production, the majority of the payments will go to those who produce the most. This system has proven to be the fairest method of distributing support.

Crop Insurance

Lastly, farmers need an affordable and reliable crop insurance program. Unfortunately, our current program is often subject to fraud and abuse. It is critical that Congress works to develop a crop insurance initiative that is affordable and provides sufficient protection for farmers. The program should be based on realistic estimates and information, and it should eliminate the temptation for people to "farm the program," instead of their crops.

I appreciate the opportunity to share my views with you this afternoon, and I look forward to your questions.